

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MARKET DOMINANT PRODUCT PRICES  
INBOUND MARKET DOMINANT MULTI-SERVICE AGREEMENTS  
WITH FOREIGN POSTAL OPERATORS

POSTNL - UNITED STATES POSTAL SERVICE BILATERAL  
AGREEMENT (MC2010-35)  
NEGOTIATED SERVICE AGREEMENT

Docket No. R2015-3

**UNITED STATES POSTAL SERVICE COMMENTS IN RESPONSE TO PUBLIC  
REPRESENTATIVE ADDITIONAL COMMENTS IN RESPONSE TO COMMISSION  
ORDER NO. 2293 APPROVING TYPE 2 RATE ADJUSTMENT FOR ROYAL POSTNL  
BV NEGOTIATED SERVICE AGREEMENT  
(December 30, 2014)**

This response addresses the comments filed by the Public Representative in this docket on December 23, 2014,<sup>1</sup> which request that the Commission order the Postal Service to “supplement the financial model for the [Royal PostNL BV – United States Postal Service Strategic Bilateral Agreement (2014 PostNL Agreement)] with the 2016 UPU terminal dues default rates.” The Postal Service opposes the Public Representative’s request because it is unnecessary, has no support in the Commission’s rules, and would impose a substantial burden on the Postal Service.

First, the Public Representative’s attempt to impose an additional filing requirement on the Postal Service is unnecessary. According to the Public Representative, a supplemental filing of 2016 UPU default rates would enable the Commission to conduct a second analysis of the cost coverage attributable to the rates

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<sup>1</sup> Public Representative Additional Comments in Response to Commission Order No. 2293 Approving Type 2 Rate Adjustment for Royal PostNL BV Negotiated Service Agreement (PR Order 2293 Comments), Docket No. R2015-3 (December 23, 2014).

included in the 2014 PostNL Agreement.<sup>2</sup> But this reasoning ignores the Commission's approval of the rates in Order No. 2293,<sup>3</sup> and the Annual Compliance Review (ACR) process, which provides the Commission with an annual opportunity to evaluate rates for "all applicable requirements of [title 39]."<sup>4</sup> Because the Commission has the opportunity through the ACR process to evaluate the 2016 rates included in the 2014 PostNL Agreement, the supplemental filing requested by the Public Representative would have little, if any, value to the Commission, and would impose an unnecessary burden on the Commission. Contrary to the Public Representative's position, the exclusion of the supplemental filing requirement in Order No. 2293, compared with the inclusion of this requirement in other orders, appears to reflect an intentional policy and an acknowledgement that the supplemental filing requested by the Public Representative is unnecessary.

Second, the Public Representative concedes that the Commission's rules do not require the supplemental filing requested in his comments.<sup>5</sup> The Public Representative contends that the supplemental filing is "necessary to facilitate Commission fulfillment of its statutory obligations."<sup>6</sup> However, the authority cited for these obligations, 39 U.S.C. § 3622(c)(10)(A)(i) and 39 C.F.R. § 3010.40(a)(1), addresses the net financial position of the Postal Service generally and includes no reference to the supplemental filing requested by the Public Representative. And, as described above, the ACR process

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<sup>2</sup> *Id.* at 3.

<sup>3</sup> Order No. 2293, Order Approving an Additional Inbound Market Dominant Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement (with Royal PostNL BV), Docket No. R2015-3 (December 17, 2014).

<sup>4</sup> 39 U.S.C. § 3652(a)(1).

<sup>5</sup> See PR Order 2293 Comments at 3, FN7 (encouraging the Commission to adopt a rule requiring the supplemental filing requested by the Public Representative).

<sup>6</sup> *Id.* at 3.

provides the Commission with the opportunity to fulfill the statutory obligations identified by the Public Representative.

Finally, the supplemental filing requested by the Public Representative would impose a substantial burden on the Postal Service. Contrary to the Public Representative's representations,<sup>7</sup> the Postal Service's submission of supplemental information regarding UPU rates to comply with previous Commission orders has required it to compile information that was not readily available, and involved substantial quantities of time and effort best committed to other tasks.

For the reasons described above, the Postal Service requests that the Commission deny the Public Representative's request for an order requiring a supplemental filing.

Respectfully submitted,

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<sup>7</sup> *Id.*